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BY M. V. L. L.

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Civil Action No. **502 CV 161**

JURY TRIAL DEMANDED

Defendants.

1. This is a securities class action on behalf of all purchasers of the common stock of America Online, Inc. ("AOL") between July 19, 1999 and January 10, 2001, and all persons who purchased, converted, exchanged or otherwise acquired the common stock of AOL Time Warner, Inc. ("AOL Time Warner") between January 11, 2001 and July 17, 2002, inclusive.

2. Plaintiffs, individually and on behalf of all others similarly situated, by their undersigned attorneys, make the following allegations upon personal knowledge as to themselves and upon information and belief as to all other matters, including published reports and news articles as follows:

- Failing to disclose that AOL's online advertising revenues were almost certain to decrease rapidly because significant numbers of AOL's online advertising clients were experiencing financial difficulty and/or were

almost certain to go out of business and be unable to fulfill their contractual obligations to AOL;

- Failing to disclose that AOL and AOL Time Warner booked revenue from one-time payments received from online advertising clients as advertising revenue in order to artificially inflate their revenues derived from online advertising;
- Affirmatively misstating AOL and AOL Time Warner's revenue from online advertising sales by including in such revenues sums received as one-time payments in connection with the termination of contracts for online advertising;
- Failing to disclose that AOL artificially inflated its online advertising revenues for fiscal 1 Q 01 by counting in such revenues \$16.4 million in online advertising that AOL required an enterprise called 24dogs.com to purchase in order to settle a legal dispute; and,
- Artificially inflating AOL Time Warner's revenues from online advertising sales by including in such revenues sums that AOL Time Warner received in connection with selling online advertising for online auction site eBay.

3. When The Washington Post revealed the foregoing on July 18, 2002, AOL Time Warner stock dropped to as low as \$11.75. Down from its class period high of \$58.51.

JURISDICTION AND VENUE

4. The jurisdiction of this Court is based on Section 27 of the Exchange Act, 15 U.S.C. § 78aa and 28 U.S.C. § 1331.

5. The claims alleged herein arise under Sections 10(b) and 20 of the Securities Exchange Act of 1934 (the "Exchange Act") 15 U.S.C. § 78j(b) and 78t(a), and Rule 10b-5,

17 C.F.R. § 240.10b-5 promulgated thereunder.

6. Venue is proper in this District pursuant to Section 27 of the Exchange Act and 28 U.S.C. § 1391(b). Many of the acts alleged herein, including the dissemination to the investing public of the misleading statements and material omissions, occurred or originated in substantial part in this District.

7. In connection with the acts alleged in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone, and wire communications, and the facilities of the national securities markets.

PARTIES

8. Plaintiffs purchased shares of AOL Time Warner securities at artificially inflated prices as set forth in the certifications attached to this Complaint, and suffered economic damages thereby.

9. Defendant AOL Time Warner is a Delaware corporation having its principal place of business at 75 Rockefeller Plaza, New York, New York. The company's stock trades in an efficient market on the New York Stock Exchange.

10. Defendant Stephen M. Case ("Case") served at times relevant hereto as the Chairman of AOL Time Warner and as the Chairman and Chief Executive Officer of AOL.

11. Defendant Wayne H. Pace served at times relevant hereto as AOL Time Warner's Chief Financial Officer and as an Executive Vice President of AOL Warner.

12. Defendant J. Michael Kelly ("Kelly") served at times relevant hereto as AOL's Chief Financial Officer and as Senior Vice President of AOL. Defendants Case, Pace and Kelly are referred to jointly as the "Individual Defendants."

CLASS ACTION ALLEGATIONS

13. Plaintiff brings this action as a class action pursuant to Federal Rules of Civil Procedure Rule 23(a) and (b)(3) on behalf of a class consisting of all persons who purchased, converted, exchanged or otherwise acquired the common stock of America Online, Inc. ("AOL") between July 19, 1999 and January 10, 2001, and all persons who purchased, converted, exchanged or otherwise acquired the common stock of AOL Time Warner, Inc. ("AOL Time Warner" or the "Company") between January 11, 2001 and July 17, 2002, inclusive (the "Class"). Excluded from the Class are the defendants, members of their families, any entity in which any defendant is trustee or has a controlling interest, and any of their parents, subsidiaries, officers, directors, affiliates, legal representatives, heirs, predecessors, successors and assigns.

14. The members of the Class are so numerous that joinder of all members is impracticable. Specifically:

a. There were over 6 billion shares of AOL Time Warner stock issued and outstanding at times relevant thereto; and,

b. While the exact number of Class members is unknown at this time and can only be ascertained through appropriate discovery, at a minimum, plaintiffs believe that there are thousands of persons who purchases AOL Time Warner stock during the Class Period. Record owners and other members of the Class maybe identified from records maintained by AOL Time Warner or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

15. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class.

Among the questions of law and fact common to the Class are:

- a. whether the federal securities laws were violated by defendants as alleged herein;
- b. whether defendants misstated and/or omitted to state material facts in their public statements and filings with the SEC;
- c. whether defendants participated directly or indirectly in the course of conduct complained of herein;
- d. whether the defendants acted knowingly or recklessly in issuing false and misleading statements;
- e. whether the market prices for AOL Time Warner securities during the Class Period were artificially inflated by the Defendants' wrongful conduct alleged in this Complaint; and,
- f. whether the members of the Class have sustained damages and, if so, the proper measure of those damages.

16. Plaintiff's claims are typical of the claims of other Class members, all of whom have sustained damages arising out of the defendants' wrongful conduct alleged in this Complaint.

17. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class actions and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

18. A class action is superior to other available methods for the fair and efficient adjudication of this controversy since joinder of all members of the Class is impracticable. Furthermore, because the damages suffered by the individual Class members may be relatively small, the expense and burden of individual litigation make

it impossible for the Class members individually to redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

DEFENDANTS' FRAUDULENT COURSE OF CONDUCT

A. Online Advertising Sales Were Crucial to Investors' Evaluation of the Health of AOL and AOL Time Warner

19. AOL Time Warner, Inc. is the parent company of America Online, Inc. and Time Warner, Inc. The Company is engaged in AOL Internet services, cable, entertainment, television networks, music and publishing.

20. AOL Time Warner was formed via a merger between America Online, Inc. and Time Warner, Inc. consummated January 11, 2001. Both before and after such merger, information regarding the strength of AOL's online advertising business and the amount of revenues derived therefrom was crucial to investors because the strength of the new combined AOL Time Warner was supposed to drive largely from "synergies" between Time Warner's old media business and production of media content and AOL's ability to deliver such media content via the Internet and derive revenue from such delivery, including through the sale of online advertising.

21. By late-2000, as dot-com companies collapsed with increasing frequency, many commentators began to question the viability of the online advertising business model. When asked about what appeared to be a recession in the online advertising business in October 2000, AOL's then-President, Robert W. Pittman, offered a resounding answer: "I don't see it, and I don't buy it." In an October 18, 2000, conference call with analysts, defendant Case said "AOL's advertising growth is right on target . . . [t]he current advertising environment benefits us because it will drive a flight to quality." In that same call, defendant Kelly, described AOL's advertising and commerce revenue growth

as “very healthy” and emphasized, “I can’t say that strongly enough.”

22. During this same period, AOL’s top management was engaged in a course of business intended to make certain that AOL’s financial results would bear out these statements of optimism, would not reflect any recession in the online advertising business and, perhaps most importantly, would not miss Wall Street’s earnings estimates.

B. AOL Boosts Online Advertising Sales By Counting As Revenue Sums Received As One-Time Payments

23. AOL maintained records indicating the health of its dot-com and other online advertising customers during late 2000 and assessing the likelihood of customers’ abilities to continue to fulfill their contractual obligations to AOL in light of the overall health of the customers’ businesses. By late 2000, it had become clear that many dot-com and other customers were in deep trouble and would likely be unable to continue to purchase online advertising from AOL. According to The Washington Post, AOL’s internal estimates showed that it feared losing \$23.2 million in revenue in the quarter ended September 30, 2000, and \$108 million in ad revenue in fiscal 2001 (July 2000 to June 2001) due to the precarious circumstances of dot-com and other customers.

24. To combat this trend in the short term, AOL then took steps to maximize its short-term revenues from customers that were not likely to be around for the long term. It did so by renegotiating struggling customers’ ad deals to shorten the term of the contract. Customers would then pay AOL a fee for breaking the deal early, and that fee would be incorporated into the new, shorter-term ad deal, effectively creating more revenue for AOL in the short term. AOL would then count all of the revenue, including the fee for renegotiating a shorter-term deal, as ad revenue.

25. AOL booked approximately \$56 million from fees connected with termination or restructuring of advertising contracts with struggling customers between July 2000 through March 2001. AOL did not fully disclose this practice until November 2001.

C. AOL Artificially Inflates Its Online Advertising Revenues for Fiscal 1Q 01 By Counting \$16.4 Million Received from 24dogs.com to Settle a Legal Dispute

26. MovieFone, Inc. was an online ticketing company acquired by AOL in late 1999. Prior to such acquisition, MovieFone had won a \$23.8 million arbitration award against a British company known as Wembley. AOL gained the legal right to enforce such award, which had not been collected, after the merger.

27. Rather than seeking to take legal action to collect the award in cash, AOL found a way to parlay the legal award into much-needed online advertising revenue for 1Q 01. It negotiated with Wembley to have Wembley pay the award by buying \$16.4 million worth of online advertising for Wembley's nascent online dog racing site, 24dogs.com.

28. In the rush to book the revenue in the quarter ending September 30, 2000, AOL personnel produced their own online ads for 24dogs.com and began running such ads even before the deal with Wembley was concluded so that they could run as many of the ads (and book as much of the resulting revenue) as possible during 1Q 01.

29. The results were ridiculous. AOL's web sites were plastered with images of dogs, and 24dogs.com's web site, which was under construction, crashed because of all of the unexpected customer traffic generated by the advertisements. AOL's important objective had been achieved, however - it ran enough ads to generate \$16.4 million in much-needed online advertising revenues.

D. AOL Time Warner Inflates Its Online Advertising Revenues By Counting Ad Sales It Made for eBay as its Own Revenues

30. On July 25, 2001, AOL Time Warner entered into an agreement with online auctioneer eBay to sell ads for eBay.

31. AOL Time Warner then counted as revenue the advertising sales revenue from sales that its sales force made from eBay, even though such sums were paid over to eBay (minus a sales commission) after receipt.

32. AOL Time Warner was not contractually required to pay eBay the full sum due for the sale of such advertising in the event customers did not pay for the advertising. Rather, eBay retained the risk that customers who bought eBay ads from AOL Time Warner salespeople would not pay for the ads.

33. In its Annual Report for the year ending December 31, 2001, on form 10K, filed with the SEC on March 25, 2002, AOL Time Warner reported total revenues of \$38.2 billion, including \$8.5 billion in revenues from advertising and commerce.

34. Such revenues were materially misleading and/or overstated because AOL Time Warner included in such revenues sums that AOL Time Warner received in connection with selling online advertising for online auction site eBay even though the eBay revenues were ultimately paid over to eBay and not retained by AOL Time Warner.

E. Wrongful Accounting Practice

35. By artificially inflating the reported revenues of AOL and AOL Time Warner as alleged herein, defendants violated Regulation S-X (17 C.F.R. § 210.10-01(a)) which requires that annual reports and interim financial statements comply with GAAP and creates a presumption that financial statements not in compliance with GAAP are misleading and inaccurate.

36. In addition, defendants have violated Section 13(b)(2) of the Exchange Act which requires them to “make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer”

STATUTORY SAFE HARBOR PROVISION IS INAPPLICABLE

37. The statutory safe harbor provided for forward-looking statements does not apply here as the false statements alleged herein were not forward-looking.

FRAUD ON THE MARKET

38. Plaintiffs will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- a. the defendants made misleading statements and material omissions during the Class Period;
- b. AOL Time Warner and AOL common stock traded on the New York Stock Exchange which is in an efficient market;
- c. AOL Time Warner and AOL filed periodic reports with the SEC;
- d. stock analysts and the media covered AOL Time Warner and AOL and its business during the Class Period;
- e. the market rapidly assimilated information about AOL Time Warner and AOL that was publicly available and communicated by the foregoing means and that information was promptly reflected in the price of AOL Time Warner and AOL’s common stock;
- f. the misrepresentations and material omissions alleged in this Complaint would tend to induce a reasonable investor to misjudge the value of AOL Time Warner’s and AOL’s stock; and,

g. Plaintiffs and the other Class members purchased their AOL Time Warner and AOL stock between the time the defendants made the misleading statements and material omissions and the time that the true facts were disclosed, without knowledge of the omitted facts.

39. Based upon the following, plaintiffs and members of the Class are entitled to the presumption of reliance upon the integrity of the market.

SCIENTER

40. The Individual Defendants acted with scienter in that they knew that the financial statements issued and disseminated by AOL Time Warner and/or AOL were materially false and misleading, or that the statements therein were made and distributed with reckless disregard for facts that AOL Time Warner and AOL either knew or should have known. The Individual Defendants knew or recklessly disregarded the fact that such misleading statements would be distributed and disseminated to the investing public, and substantially participated in and/or acquiesced in the issuance and dissemination of such statements in violation of the federal securities law.

41. The Individual Defendants either knew that such statements were false and misleading or acted with reckless disregard of such falsity since, as senior officers of AOL Time Warner and/or AOL, the Individual Defendants knew of (or alternatively had free and unfettered access to materials that would have revealed) the overstating of AOL Time Warner and/or AOL's advertising revenues. If the Individual Defendants did not have actual knowledge of the misrepresentations and omissions alleged, then they were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether statements disseminated by AOL Time Warner and AOL were true.

42. The Individual Defendants also had substantial economic motives to conceal the true facts regarding AOL Time Warner and AOL's accounting and advertising sales, including the following: by concealing such facts, the Individual Defendants Case and Kelly were able to artificially inflate the value of their own substantial holdings in AOL Time Warner stock that would not have been "in the money" and/or would have been "in the money" to a lesser extent were it not for the artificial inflation of AOL Time Warner's share price as alleged herein.

COUNT I

(Against All Defendants)

For Violation Of Section 10(b) Of The Exchange Act and SEC Rule 10b-5

43. Plaintiff repeats and realleges each and every allegation contained in each of the foregoing paragraphs as if fully set forth herein.

44. This Count is asserted against all defendants and is based upon Section 10(b) of the 1934 Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder in that they; (a) employed devices, schemes, and artifices to defraud; (b) failed to disclose material information; or (c) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon Plaintiffs and the other members of the Class in connection with their purchases of AOL Time Warner and AOL common stock during the Class Period. All defendants are sued as primary participants in the wrongdoing alleged.

45. During the Class Period, defendants, singly and in concert, engaged in a common plan, scheme, and unlawful course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices, and courses of business which operated as a fraud and deceit upon Plaintiffs and the other members of the Class, and failed to disclose material information in order to make the statements made,

in light of the circumstances under which they were made, not misleading to Plaintiffs and the other members of the Class. The purpose and effect of said scheme, plan and unlawful course of conduct was, among other things, to induce Plaintiffs and the other members of the Class to purchase AOL Time Warner and AOL securities during the Class Period at artificially inflated prices.

46. Throughout the Class Period, AOL Time Warner acted through the Individual Defendants, whom it portrayed and represented to the financial press and public as its valid representatives. The willfulness, motive, knowledge, and recklessness of the Individual Defendants is therefore imputed to AOL Time Warner, which is primarily liable for the securities law violations of the Individual Defendants while acting in their official capacity as a Company representative, or, in the alternative, which is liable for the acts of the Individual Defendants under the doctrine of *respondent superior*.

47. The information that the defendants disseminated to the investing public was materially false and misleading as set forth above, and the market price of AOL Time Warner securities was artificially inflated during the Class Period. In ignorance of the duty to disclose the false and misleading nature of the statements described above and the deceptive and manipulative devices and contrivances employed by said defendants, Plaintiff and the other members of the class relied, to their detriment, on the integrity of the market price of the stock in purchasing AOL Time Warner securities. Had Plaintiffs and the other members of the Class known the truth, they would not have purchased said shares or would not have purchased them at the inflated prices that were paid.

48. Plaintiffs and the other members of the Class have suffered substantial damages as a result of the wrongs herein alleged in an amount to be proven at trial.

COUNT II

(Against The Individual Defendants) For Violation Of Section 20(a) Of The Exchange Act

49. Plaintiffs repeat and reallege each and every allegation contained in each of the foregoing paragraphs as if fully set forth herein, including the allegations of scienter set forth above.

50. The Individual Defendants acted as controlling persons of AOL Time Warner within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, stock ownership and contractual rights, and participation in an/or awareness of AOL Time Warner's operations, the Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of AOL Time Warner, including the wrongful acts alleged herein.

51. The Individual Defendants, by reason of their executive position and/or board membership and role on the AOL Time Warner board's Audit Committee, were the controlling persons of AOL Time Warner and had the power and influence to cause, and did cause, AOL Time Warner to engage in the conduct complained of herein. Thus, the Individual Defendants controlled the public dissemination of the false and misleading information alleged herein and were culpable participants in the wrongful conduct alleged herein.

52. In particular, by virtue of their positions each of the Individual defendants had direct and supervisory involvement in the operations of AOL Time Warner, and, therefore, is presumed to have had the power to control or influence the particular transactions included, without limitation, AOL Time Warner's dissemination of misleading public statements and failure to disclose adverse material facts regarding its

financial condition.

53. By reason of the conduct alleged in Count I of the Complaint, the Individual Defendants violated § 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their positions as controlling persons of AOL Time Warner, the Individual Defendants are liable pursuant to § 20(a) of the Exchange Act. As a direct and proximate result of defendants' wrongful conduct, the Individual Defendants are liable to Plaintiffs and to the other members of the Class for substantial damages which they suffered in connection with their purchases of AOL Time Warner common stock during the class period.

WHEREFORE, PREMISES CONSIDERED, Plaintiffs on their own behalf and on behalf of the Class, pray for judgment as follows:

- A. Declaring this action to be a proper class action and certifying Plaintiffs as class representatives under Rule 23 of the Federal Rules of Civil Procedure;
- B. Awarding compensatory damages against defendants, jointly and severally, including disgorgement of all unjust enrichment, for damages suffered as a result of defendants' violation of securities law together with interest thereon;
- C. Awarding Plaintiffs and the Class prejudgment and post-judgment interest, as well as the fees and expenses incurred in this action, including reasonable allowance of fees for Plaintiffs' attorneys and experts;
- D. Granting extraordinary equitable and/or injunctive relief as permitted by law, equity and federal and state statutory provisions sued on hereunder, including attaching, impounding, imposing a constructive trust upon or

- otherwise restricting the proceeds of defendants' trading activities or their other assets so as to assure that Plaintiffs have an effective remedy; and,
- E. Granting such other and further relief as the Court may deem just and proper.

Respectfully submitted,

**PATTON, HALTOM, ROBERTS,
McWILLIAMS & GREER, L.L.P.**

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Cary Patterson
Bradley E. Beckworth

ATTORNEYS FOR PLAINTIFFS

CERTIFICATION

I, Kenneth McClure hereby state that:

1. I have reviewed the Complaint in this matter and authorize that the law firm of *Patton, Haltom, Roberts, McWilliams & Greer, L.L.P.* represent my interests in this matter.

2. I did not purchase any shares of the common stock of AOL Time Warner, Inc. at the direction of counsel or in order to participate in this private action.

3. I am willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.

4. The following includes all of my transactions in common stock of **America Online, Inc. between July 19, 1999 and January 10, 2001**, the class period specified in the Complaint:

<u>Security</u> (Common Stock, Call, Put, Bonds)	<u>Transaction</u> (Purchase, Sale)	<u>Trade Date</u>	<u>Price per Securities/Share</u>	<u>Quantity</u>
STOCK	PURCHASE	01/10/00	78 ¹³ / ₁₆	125

(Please list other transactions on a separate sheet of paper, if necessary.)

5. The following includes all of my transactions in common stock of **AOL Time Warner, Inc. between January 11, 2001 and July 29, 2002**, the class period specified in the Complaint:

I received 10,555.50 shares of AOL Time Warner, Inc. in exchange for my shares

of Time Warner, Inc.

I received 125 shares of AOL Time Warner, Inc. in exchange for my shares of America Online, Inc.

<u>Security</u> (Common Stock, Call, Put, Bonds)	<u>Transaction</u> (Purchase, Sale)	<u>Trade Date</u>	<u>Price per</u> <u>Securities/Share</u>	<u>Quantity</u>
STOCK	SALE	6/14/02	16.22	554
STOCK	SALE	7/01/02	14.06	242
STOCK	SALE	7/02/02	12.30	1,225
STOCK	SALE	7/15/02	12.68	1,565
STOCK	SALE	7/22/02	11.27	791
STOCK	SALE	7/24/02	11.07	198
STOCK	SALE	7/25/02	8.83	1,579
STOCK	SALE	7/29/02	11.28	177

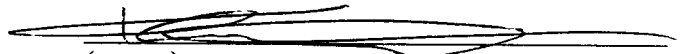
(Please list other transactions on a separate sheet of paper, if necessary.)

6. I have not served or sought to serve as a representative party on behalf of a class under the federal securities laws during the last three years.

7. I will not accept any payment for serving as a representative party on behalf of a class except to receive my pro rata share of any recovery, or as ordered or approved by the Court including the award to a representative party of reasonable costs and expenses including lost wages relating to the representation of the class.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 2 day of August, 2002.


(name)

CERTIFICATION

I, Michael A. & Lisa G. Johnson (name) hereby state that:

1. I have reviewed the Complaint in this matter and authorize that the law firm of *Patton, Haltom, Roberts, McWilliams & Greer, L.L.P.* represent my interests in this matter.

2. I did not purchase any shares of the common stock of AOL Time Warner, Inc. at the direction of counsel or in order to participate in this private action.

3. I am willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.

4. The following includes all of my transactions in common stock of **America Online, Inc.** between July 19, 1999 and January 10, 2001, the class period specified in the Complaint:

<u>Security</u> (Common Stock, Call, Put, Bonds)	<u>Transaction</u> (Purchase, Sale)	<u>Trade Date</u>	<u>Price per</u> <u>Securities/Share</u>	<u>Quantity</u>

(Please list other transactions on a separate sheet of paper, if necessary.)

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 6th day of August, 2002.

[Signature]
(name) [Signature]
By [Signature]

CERTIFICATION

I, Frances McClure, hereby state that:

1. I have reviewed the Complaint in this matter and authorize that the law firm of *Patton, Haltom, Roberts, McWilliams & Greer, L.L.P.* represent my interests in this matter.

2. I did not purchase any shares of the common stock of AOL Time Warner, Inc. at the direction of counsel or in order to participate in this private action.

3. I am willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.

4. The following includes all of my transactions in common stock of **America Online, Inc. between July 19, 1999 and January 10, 2001**, the class period specified in the Complaint:

<u>Security</u> (Common Stock, Call, Put, Bonds)	<u>Transaction</u> (Purchase, Sale)	<u>Trade Date</u>	<u>Price per Securities/Share</u>	<u>Quantity</u>

(Please list other transactions on a separate sheet of paper, if necessary.)

5. The following includes all of my transactions in common stock of **AOL Time Warner, Inc. between January 11, 2001 and July 17, 2002**, the class period specified in the Complaint:

I received 10,555.50 shares of AOL Time Warner, Inc. in exchange for my shares of Time Warner, Inc.

I received 0 shares of AOL Time Warner, Inc. in exchange for my shares of America Online, Inc.

<u>Security</u> (Common Stock, Call, Put, Bonds)	<u>Transaction</u> (Purchase, Sale)	<u>Trade Date</u>	<u>Price per Securities/Share</u>	<u>Quantity</u>
STOCK	SALE	7/25/02	8.87	279

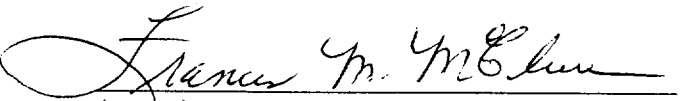
(Please list other transactions on a separate sheet of paper, if necessary.)

6. I have not served or sought to serve as a representative party on behalf of a class under the federal securities laws during the last three years.

7. I will not accept any payment for serving as a representative party on behalf of a class except to receive my pro rata share of any recovery, or as ordered or approved by the Court including the award to a representative party of reasonable costs and expenses including lost wages relating to the representation of the class.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 2 day of Aug., 2002.


(name)

CERTIFICATION

I, Frances McClure, as Administrator of the Estate of Lavonia Moore, hereby state that:

1. I have reviewed the Complaint in this matter and authorize that the law firm of *Patton, Haltom, Roberts, McWilliams & Greer, L.L.P.* represent my interests in this matter.

2. I did not purchase any shares of the common stock of AOL Time Warner, Inc. at the direction of counsel or in order to participate in this private action.

3. I am willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.

4. The following includes all of my transactions in common stock of **America Online, Inc. between July 19, 1999 and January 10, 2001**, the class period specified in the Complaint:

<u>Security</u> (Common Stock, Call, Put, Bonds)	<u>Transaction</u> (Purchase, Sale)	<u>Trade Date</u>	<u>Price per Securities/Share</u>	<u>Quantity</u>

(Please list other transactions on a separate sheet of paper, if necessary.)

5. The following includes all of my transactions in common stock of **AOL Time Warner, Inc.** between **January 11, 2001** and **July 17, 2002**, the class period specified in the Complaint:

I received 48,693 shares of AOL Time Warner, Inc. in exchange for my shares of Time Warner, Inc.

I received 0 shares of AOL Time Warner, Inc. in exchange for my shares of America Online, Inc.

<u>Security</u> (Common Stock, Call, Put, Bonds)	<u>Transaction</u> (Purchase, Sale)	<u>Trade Date</u>	<u>Price per Securities/Share</u>	<u>Quantity</u>

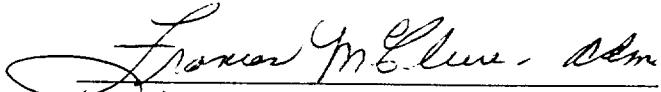
(Please list other transactions on a separate sheet of paper, if necessary.)

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7. I will not accept any payment for serving as a representative party on behalf of a class except to receive my pro rata share of any recovery, or as ordered or approved by the Court including the award to a representative party of reasonable costs and expenses including lost wages relating to the representation of the class.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 2 day of Aug., 2002.


(name)